

# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Katy Allen  
Sara L. Hensley  
Robert L. Davis  
Larry D. Lisenbee

**SUBJECT:** SEE BELOW

**DATE:** 08-19-05

Approved



Date

8/19/05

Council District: 1  
SNI: Blackford

**SUBJECT: REPORT ON BIDS AND AWARD OF CONTRACT, AND ADOPTION OF  
APPROPRIATION ORDINANCE AND FUNDING SOURCES  
RESOLUTION AMENDMENTS FOR THE WEST SAN JOSÉ  
COMMUNITY CENTER PROJECT**

## REASON FOR SUPPLEMENTAL MEMO

To provide additional information after bids were opened.

## RECOMMENDATION

- a) Report on bids and award of contract for the West San José Community Center – Rebid Project to the low bidder, Garden City Construction, Inc., to include the base bid and Add Alternate Nos. 1, 3, 4 and 5 in the amount of \$2,093,903, and approval of a contingency in the amount of \$209,390.
- b) Adoption of the following Appropriation Ordinance and Funding Sources Resolution amendments in the Services for Redevelopment Capital Projects Fund (City-side Redevelopment Fund):
  1. Increase the appropriation to the Public Works Department for the West San José Community Center Project in the amount of \$1,244,445;
  2. Increase the estimate for Earned Revenue by \$870,945; and
  3. Increase the Beginning Fund Balance estimate by \$373,500.

- c) Adoption of the following Appropriation Ordinance and Funding Sources Resolution amendments in the Neighborhood Security Bond Fund (Fund 475):
  - 1. Increase the appropriation to the Police Department for the West San José Community Policing Center Project by \$282,800;
  - 2. Decrease the Contingency Reserve by \$263,800; and
  - 3. Increase the Beginning Fund Balance estimate by \$19,000.
  
- d) Adoption of the following Appropriation Ordinance and Funding Sources Resolution amendments in the Construction Tax and Property Conveyance Tax, Council District #1 (Fund 377):
  - 1. Increase the appropriation to the Parks, Recreation and Neighborhood Services Department for the West Community Joint Facility by \$226,000;
  - 2. Decrease the Ending Fund Balance by \$19,000; and
  - 3. Increase the Beginning Fund Balance estimate by \$207,000.

CEQA: Exempt, PP04-03-090.

## **BACKGROUND**

The City's Greenprint for Parks and Community Facilities and Programs (Greenprint), a 20-year strategic plan, provides guidelines regarding the distribution of community-serving facilities in order to address the needs of under-served areas within the City. In Council District 1 in particular, a community center is an element of the long-term strategy to meet the goal for community-serving facilities and program needs at the Stevens Creek/880 West area.

In March 2002, San José voters passed the Neighborhood Security Bond Act that approved the issuance of General Obligation bonds to fund the construction of various public safety facilities. Funding for the construction of regional community policing centers is included in the Bond Act.

In May 2004, Council approved the purchase of property at 3707 Williams Road for the purpose of housing the community center function along with the West Community Policing Center (West CPC). The property, which includes a 9,600 square-foot building, is located on the west side of San José at the corner of Williams Road and Boynton Avenue, in a residential neighborhood and is across from Starbird Park (map attached).

In September 2004, Council approved the funding for project design and on May 17, 2005, approved the name West San José Community Center for the proposed facility. The proposed project will renovate the existing building and site to meet the needs of both operations – community center and community policing.

This project was originally bid on June 3, 2005. Only two bids were received for the project. The low bidder failed to acknowledge the addendum involving material information and was therefore found non-responsive. The only other bidder was 60 percent over the Engineer's Estimate. Accordingly, on June 21, 2005, Council rejected all bids and approved staff's recommendation to re-bid the project.

#### Community Center Portion

The new community center will implement the Greenprint recreation strategy in Council District 1. Once completed, the renovated building will provide spaces for dance classes, art classes, a game room, a multipurpose room and set up for future demonstration cooking. It will also provide office spaces for both recreation and Strong Neighborhoods staff.

The new community center will compliment the adjacent Starbird Youth Center, which is currently under design and scheduled for completion in late 2006. The ultimate goal is to create a recreation campus at this West San José area consisting of the West San José Community Center, Starbird Youth Center and Starbird Park.

#### Policing Center Portion (CPC)

The new facility will provide a more visible police presence in the neighborhood and offer crime prevention activities, police report taking, report writing and neighborhood problem solving. This project brings the first CPC to the western part of San José. This project is the first collaborative capital project between the Police and Parks, Recreation and Neighborhood Services Departments along with the Strong Neighborhoods Initiative. The West CPC will be open six days per week for five hours each day. No additional Police staff is needed, as existing staff will operate the CPC.

### ANALYSIS

Bids were opened on August 4, 2005 with the following results:

<u>Contractor</u>	<u>Base Bid Amount</u>	<u>Add Alternates 1, 3-5</u>	<u>Total Bid</u>	<u>Variance Amount</u>	<u>Over/ (Under) Percent</u>
Kuehne Construction (Sunnyvale)	\$2,428,860	\$14,844	\$2,443,704	\$545,326	30
Pencon, Inc. (San Ramon)	2,219,000	20,100	2,239,100	340,722	19
Garden City Construction, Inc. (San José)	2,075,000	18,903	2,093,903	176,622	11
<b>Engineer's Estimate</b>	<b>1,868,000</b>	<b>30,378</b>	<b>1,898,378</b>	<b>---</b>	<b>---</b>

<u>Contractor</u>	Deduct		Add Alt <u>No. 3</u>	Add Alt <u>No. 4</u>	Add Alt <u>No. 5</u>
	Add Alt <u>No. 1</u>	Alt <u>No. 2</u>			
Kuehne Construction	\$1,475	(3,590)	\$3,200	\$6,619	\$3,550
Pencon, Inc.	5,600	(3,450)	3,000	6,500	5,000
Garden City Construction, Inc.	2,488	(2,822)	2,840	9,072	4,503
<b>Engineer's Estimate</b>	<b>6,613</b>	<b>(6,800)</b>	<b>3,650</b>	<b>8,832</b>	<b>11,238</b>

The low bid submitted by Garden City Construction, Inc., is 11 percent over the Engineer's Estimate. The bid is considered to be acceptable for the work involved in the project.

Staff is also recommending award of Add Alternate No. 1, Provide mirrors in Dance/Aerobics Room; Add Alternate No. 3, Provide mirrors & balance bars in Dance/Aerobics Room; Add Alternate No.4 Provide laminate floor in Dance/Aerobics Room; and Add Alternate No.5, Provide ceramic tile wainscot & floor in Restrooms 115 and 116. Staff is recommending rejection of Deductive Alternate No. 2, Deduct skylight and transoms in hallway, as adequate funding has been provided to retain this feature.

Council policy provides for a standard contingency of 15 percent on building renovation projects. This project is a renovation; however, since the proposed scope of work is relatively straightforward, staff believes that a 10 percent contingency will be adequate for the project. Appropriation amendments in various funds are requested to provide sufficient funds for this project, including the recommended contingency. Amendments are described in more detail below.

A total of \$1,153,745 in additional funding is requested to award the contract and provide for the contingency reserve. The additional transfer from the Redevelopment Agency was scheduled as part of the original Project Services Memorandum. Additional funding from the Public Safety Bond Program Contingency Reserve and Construction and Conveyance Tax Funds is necessary to fund the higher than anticipated bid amount. Specifically, the additional amounts are recommended to be funded from the following sources:

Services for Redevelopment Capital Projects Fund (Fund 450)	\$870,945
Neighborhood Security Bond Fund (Fund 475) Contingency Reserve	\$263,800
Council District 1 Construction and Conveyance Tax Funds	\$19,000

Additionally, appropriation actions are recommended as part of this memorandum to rebudget unexpended funds from 2004-2005 to 2005-2006 in the Council District 1 Construction and Conveyance Tax Fund (\$207,000), Redevelopment Agency Fund (City-side) (\$373,500) and Public Safety Bond Program Fund (\$19,000) to ensure adequate funds to award this project.

## **OUTCOME**

Approval of this construction contract to Garden City Construction, Inc., will enable the West San José Community Center Project to go forward. Approval of the 10 percent contingency will provide funding for unforeseen conditions during construction of this project. Approval of the appropriation actions will enable the project to be awarded and completed within the anticipated project schedule.

## **PUBLIC OUTREACH**

To solicit contractors, this project was listed on the City's Internet Bid Line and advertised in the *San José Post Record*. Bid packages for all Department of Public Works construction projects are provided to various contractor organizations and builder's exchanges.

## **COORDINATION**

This project and memorandum have been coordinated with the San José Redevelopment Agency, City Attorney's Office and the Departments of Planning, Building and Code Enforcement and General Services.

## **COST IMPLICATIONS**

1. AMOUNT OF RECOMMENDATION: \$2,093,903

2. COST OF PROJECT:

Project Delivery	\$ 848,295
Land Acquisition	740,000
Construction	2,093,903
Contingency	<u>209,390</u>
<b>TOTAL PROJECT COSTS</b>	<b>3,891,588</b>
 Prior Year Expenditures	 (1,378,343)
 <b>REMAINING PROJECT COSTS</b>	 <b>\$2,513,245</b>



3. SOURCE OF FUNDING: Fund 475 – Neighborhood Security Bond  
 Fund 377 – Construction Tax and Property Conveyance  
 Tax, Council District #1  
 Fund 375 – Park Trust Fund  
 Fund 450 – Services for the Redevelopment Capital  
 Projects (SJRA 05/06 Capital Budget, SNI,  
 Blackford – Access to Recreation (line b))
4. FISCAL IMPACT: This project is consistent with the Council-Approved Budget  
 Strategy's Economic Recovery section in that it will spur construction spending in our  
 local economy. Funding totaling \$72,013 has been allocated in the 2005-2006 Adopted  
 Operating Budget to provide sufficient funding for the maintenance of this facility in  
 2005-2006 and will be annualized each year accordingly.

**BUDGET REFERENCE**

Fund #	Appn #	Appn Name	Total Appn.	Amt. For Contract	2005-06 Proposed Capital Budget Page	Last Budget Action (Date, Ord. No.)
<b>Remaining Project Costs</b>			<b>\$2,513,245</b>			
<b>Current Funding Available</b>						
377	6143	West Community Joint Facility Project	\$100,000	\$100,000	V-469	MBA #60, 6/21/05*
450	6143	West Community Joint Facility Project	\$30,000	\$30,000	V-470	MBA #60, 6/21/05*
475	4541	West San José Community Policing Center	\$630,000	\$500,000	V-333	MBA #60, 6/21/05*
<b>Total Current Funding Available</b>			<b>\$760,000</b>			
<b>Additional Funding Recommended</b>						
377	6143	West Community Joint Facility	\$207,000**		V-469	
377	7999	Ending Fund Balance	\$19,000***	\$18,000	V-472	
450	6143	West Community Joint Facility Project	\$1,244,445**	\$1,182,000	V-470	
475	4541	West San José Community Policing Center	\$282,800**/** *	\$263,903	V-333	
<b>Total Additional Funding Recommended</b>			<b>\$1,753,245</b>			
<b>Total Funding for Remaining Project Costs</b>			<b>\$2,513,245</b>	<b>\$2,093,903</b>		

08-19-05

Subject: West San José Community Center Project Supplemental Memo

Page 7

- \* The 2005-2006 Adopted Capital Budget for this project includes a \$100,000 rebudget in the Council District 1 Construction and Conveyance Tax Fund, a \$30,000 rebudget in the Redevelopment Agency Fund (City-side), and a \$558,000 rebudget in the Public Safety Bond Program Fund which were approved by Council on June 21, 2005.
- \*\* An appropriation action is recommended in this memorandum to rebudget savings from 2004-2005 in the Council District 1 Construction and Conveyance Tax Fund (\$207,000), the Redevelopment Agency (City-side) (\$373,500), and the Public Safety Bond Program (\$19,000) to provide the additional funding necessary for this contract.
- \*\*\* This memorandum includes appropriation action recommendations to allocate \$19,000 of the existing \$1,878,548 Council District 1 Construction and Conveyance Tax Fund Ending Fund Balance and \$263,800 of the existing \$8,988,300 Public Safety Bond Program Contingency Reserve in order to provide sufficient funding to complete this project.

**CEQA**

Exempt, PP04-03-090.



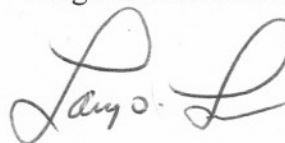
KATY ALLEN  
Director, Public Works Department



SARA L. HENSLEY  
Director, Parks, Recreation and  
Neighborhood Services Department



ROBERT L. DAVIS  
Chief of Police



LARRY D. LISENBEE  
Budget Director

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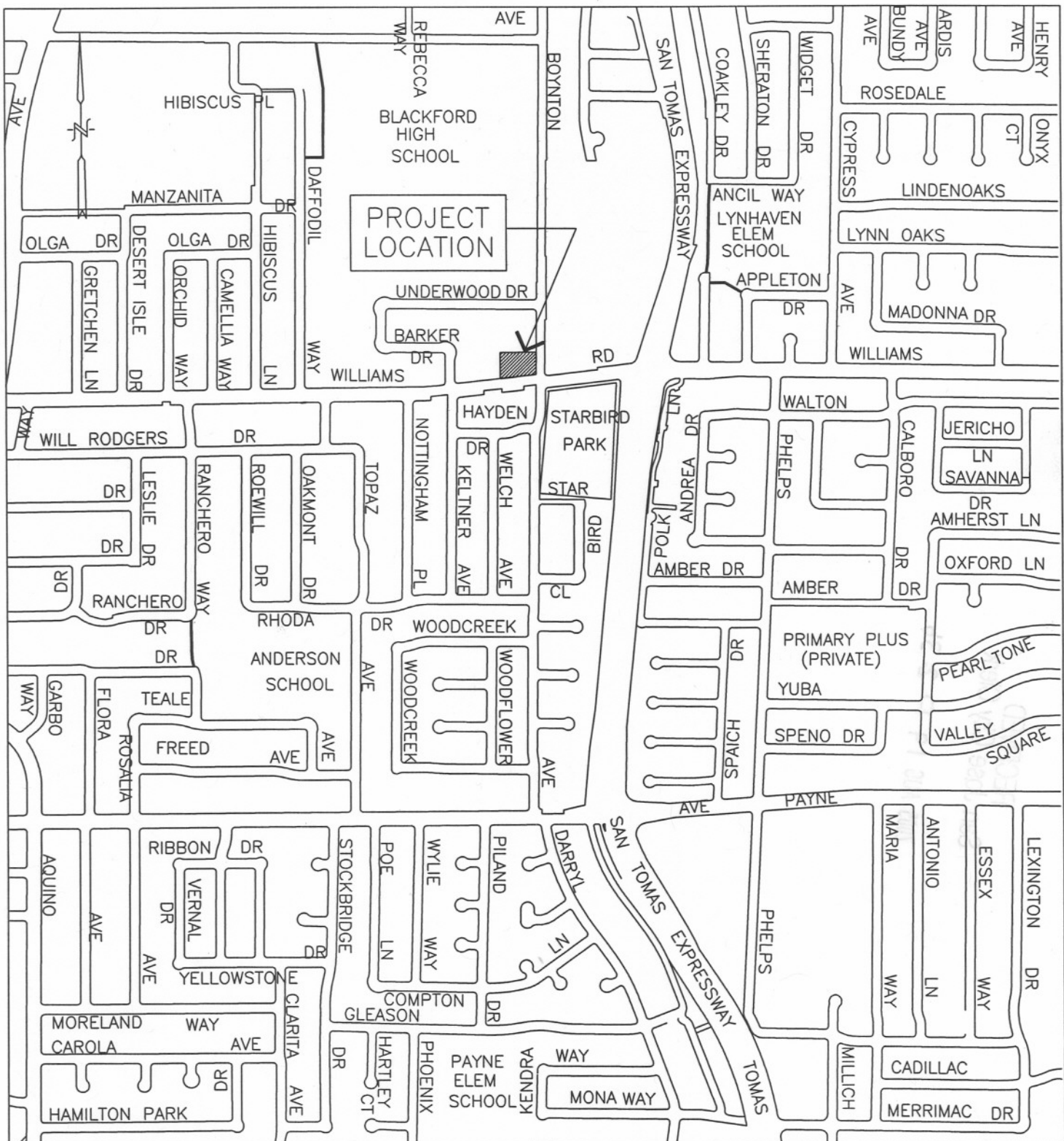
Page 8

I hereby certify that there will be available for appropriation in the Redevelopment Agency Fund (City-side) (\$1,244,445), the Council District 1 Construction and Conveyance Tax Fund (\$207,000) and the Public Safety Bond Program Fund (\$19,000) in the Fiscal Year 2005-2006 moneys in excess of those heretofore appropriated therefrom, said excess being at least \$1,470,445.

A handwritten signature in cursive script, appearing to read "Larry L", is positioned above the printed name.

LARRY D. LISENBEE  
Budget Director





# WEST COMMUNITY JOINT FACILITY

3707 WILLIAMS ROAD

## LOCATION MAP

NO SCALE